

City of Detroit

CITY COUNCIL

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ANNE MARIE LANGAN
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TO: Nancy Skowronski, Director
Library Department/Municipal Reference Library

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: May 1, 2009

RE: 2009-2010 Budget Analysis

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Attached is our budget analysis regarding your department's budget for the upcoming 2009-2010 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Tuesday, May 5, 2008 at 2:00 p.m.** We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Pamela Scales, Budget Department Director
Joseph Harris, Chief Financial Officer
Ron Chenault, Budget Department Team Leader
Arese Robinson, Mayor's Office

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FY 2009-2010 Budget Analysis by the Fiscal Division

Summary

The Detroit Public Library (DPL) enhances the quality of life for the diverse and dynamic community in the City of Detroit. The library enlightens and empowers its citizens to meet their lifelong learning needs through open and equitable access to information, technology, and cultural/educational programs. The DPL is the largest library system in the state of Michigan, which consists of a Main Library with 10 subject departments along with 23 branch libraries. The Main Library serves as a community library and research center, the hub for the entire Detroit Public Library System. The Main Library is a meeting place for diverse community groups from the Metropolitan area. Electronic resources, including subscription databases, provide access to extensive research and informational materials for library customers. The primary support for the library is property taxes paid by the residents.

The Mayor's Proposed Budget for 2009-2010 includes appropriations of \$49.7 million, which is an increase of \$1.28 million or 2.63% from fiscal year 2008-2009. The Mayor's Proposed Budget for 2009-2010 includes revenues of \$49.7 million, which is an increase of \$1.28 million or 2.63% from fiscal year 2008-2009.

2008-2009 Surplus/(Deficit)

The Library is anticipating neither a surplus nor a deficit for FY 2008-2009.

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Budgeted Professional and <u>Contractual Services by Activity</u>	FY2008-09 <u>Budget</u>	FY 2009-10 <u>Recommended</u>	Increase <u>(Decrease)</u>
Main Library	\$ 1,471,000	5,613,484	\$ 4,142,484
Branch Services	-	-	-
Total	<u>\$ 1,471,000</u>	<u>\$ 5,613,484</u>	<u>\$ 4,142,484</u>

Overtime

There was no overtime budgeted for the Library in fiscal year 2008-2009. Through March 31, 2009, the Library has spent \$33,289 on overtime. The recommended overtime budget for fiscal year 2009-2010 is \$0.

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FY 2009-2010 Budget Analysis by the Fiscal Division

Employee Turnover Savings

There is no employee turnover savings projected for the Library in the Mayor's 2009-2010 Proposed Budget.

<u>Appropriation/Program</u>	<u>Redbook Positions FY 2008-09</u>	<u>Filled Positions 3/31/2009</u>	<u>Mayor's Budget Positions FY 2009-10</u>	<u>Over/(Under) Actual to 08/09 Budget</u>	<u>Mayor's Recommended Turnover</u>
Library 72):					
720020 Library - Director of Main Library	1	1	1	0	\$ -
720025 DPL - Circulation	0	0	7	0	\$ -
720033 DPL - Children's Library Services	11	8	8	(3)	\$ -
720034 Children & Young Adult Services	2	2	1	0	\$ -
720041 DPL - TIP, GI & Business & Financial	0	0	0	0	\$ -
720042 Popular Library	19	22	15	3	\$ -
720044 TIP & TRC	9	10	9	1	\$ -
720045 Clerical Assistants- Main	0	0	39	0	\$ -
720051 DPL - Sociology, Economics & PRE	0	0	0	0	\$ -
720054 S & E/PRE/MRL	20	20	9	0	\$ -
720101 DPL - Music, Performing Arts & Art &	0	0	0	0	\$ -
720110 Technology & Science	0	0	0	0	\$ -
720114 Business, Science & Technology	17	10	11	(7)	\$ -
720154 MPA/Art&Lit/H & T	18	13	12	(5)	\$ -
720160 Burton Historical Collection	0	0	0	0	\$ -
720265 Special Collections	21	22	16	1	\$ -
720522 DPL - Database Mgmt. Services	0	0	0	0	\$ -
720650 Security	16	14	17	(2)	\$ -
00189 Main Library	134	122	145	(12)	\$ -
720201 DPL - Asst. Director Branch Svcs.	2	1	2	(1)	\$ -
720210 Chaney	7	5	5	(2)	\$ -
720220 Hubbard	7	5	5	(2)	\$ -
720230 Redford	12	14	7	2	\$ -
720240 Campbell	6	7	4	1	\$ -
720250 Lincoln	7	5	5	(2)	\$ -
720260 Jefferson	8	5	5	(3)	\$ -
720270 Chase	7	4	5	(3)	\$ -
720275 Clerical Assistance - Branches	0	0	60	0	\$ -
720280 Monteith	7	4	5	(3)	\$ -
720290 Franklin	9	6	6	(3)	\$ -
720300 SIR/Douglas	24	15	18	(9)	\$ -
720310 Elmwood Park	6	4	4	(2)	\$ -
720320 Parkman	11	11	8	0	\$ -
720330 Wilder	8	6	6	(2)	\$ -
720340 Conley	7	5	5	(2)	\$ -
720350 Chandler Park	7	5	5	(2)	\$ -

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FY 2009-2010 Budget Analysis by the Fiscal Division

720360 Bowen	9	4	6	(5)	\$	-
720370 Knapp	7	5	5	(2)	\$	-
730380 Edison	8	5	6	(3)	\$	-
720390 Duffield	9	6	6	(3)	\$	-
720400 Sherwood Forest	7	5	5	(2)	\$	-
720410 Downtown	12	6	8	(6)	\$	-
720420 Richard	7	8	5	1	\$	-
720430 Mark Twain	4	3	3	(1)	\$	-
720440 Gray	0	0	0	0	\$	-
00190 Branch Services	198	144	199	(54)	\$	-
720002 DPL - Admin. Operations	8	8	8	0	\$	-
720012 Dir. Of Public Services	4	3	4	(1)	\$	-
720172 DPL - Circulation	13	6	0	(7)	\$	-
720452 Marketing Services	9	10	9	1	\$	-
720462 Dir. Of Technical Services	3	5	5	2	\$	-
720475 Clerical Assistance - Administrative	0	0	10	0	\$	-
720482 DPL - Bibliographic	10	9	9	(1)	\$	-
720492 Print Shop	4	2	2	(2)	\$	-
720502 DPL - Technical Processing Services	18	14	14	(4)	\$	-
720522 Database Management Services	0	0	0	0	\$	-
720532 Library - Director of Information Systems	12	4	10	(8)	\$	-
720542 Library - Human Resources	8	8	8	0	\$	-
720572 Library - Director Business & Finance	14	10	13	(4)	\$	-
720622 DPL - Facilities Maintenance	24	21	24	(3)	\$	-
720662 DPL - Shipping Services	8	6	6	(2)	\$	-
10454 DPL - Administrative Management	135	106	122	(29)	\$	-
72XXXX Part-Time	0	88	0	88	\$	-
72XXXX Leave of Absence	0	2	0	2	\$	-
72XXXX Workers Compensation	0	0	0	0	\$	-
72XXXX Unmatched Positions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$</u>	<u>-</u>
TOTAL	<u>467</u>	<u>462</u>	<u>466</u>	<u>(5)</u>	<u>\$</u>	<u>-</u>

Proposed Layoffs and Vacant Position Reductions

The 2009-2010 budget recommended an elimination of one vacant position for the Library. No layoffs are proposed for DPL.

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FY 2009-2010 Budget Analysis by the Fiscal Division

Significant Changes in Funding by Appropriation

<u>Appro</u>	<u>Program</u>	
Summary	Main Library Services	<p>The Mayor Proposed Budget appropriation for the Main Library is \$38,413,797, an increase of \$955,191.</p> <p>The increase results from the following: an increase in Salary & Wages by \$711,804; an increase in Employee Benefits by \$536,416; an increase in Professional Service contracts by \$4,142,484; an increase in Operating Supplies by \$119,000; a decrease in Operating Services by \$684,146; a decrease in Capital Equipment by \$3,896,216; an increase in Capital Outlays by \$362,254; a decrease in Other Expenses by \$336,405.</p>
00189	Main Library	<p>This appropriation for FY 2009-2010 is \$7,784,704, an increase of \$1,155,481 from last FY. The increase is primarily the result of changes to salaries and benefits as follows: an \$843,191 increase in Clerical Assistance; a \$384,619 increase in Circulation; A \$394,096 increase in Popular Library, and a \$320,060 decrease in Sociology and Economics.</p>
10454	Main Library-Administrative Management	<p>The Mayor Proposed Budget appropriation for this account is \$30,629,093, a decrease of \$200,290 from last FY.</p>
00190	Branch Services	<p>The Mayor Proposed Budget appropriation for the Branch Service for the 2009-2010 FY is \$11,319,866, an increase of \$320,346 from last FY year. The increase results from the following: an increase in Salary and Wages by \$145,239; and increase in Employee Benefits by \$175,107.</p>
00987	Capital Improvement	<p>No Capital Improvement is recommended in the 2009-2010 FY.</p>

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FY 2009-2010 Budget Analysis by the Fiscal Division

Significant Revenue Changes by Appropriation

<u>Revenue</u>	<u>Program</u>	
00189 00190	Main Library Branch Services	The same as the 2008-2009 FY, no revenue has been budgeted for Main Library and Branch Services for the 2009-2010 FY.
10454	Administrative Management	The budgeted revenue for the Administrative Management for the 2009-2010 FY is \$49,733,663, an increase of \$1,275,537 from 2008-2009 FY, primarily due to \$3,500,000 surplus from prior year.
00987	Library Capital Improvements	The same as the 2008-2009 FY, no Library Capital Improvements are budgeted for the 2009-2010 FY.

Issues and Questions

1. In 2008-09 Redbook, the Mayor budgeted \$175,000 in revenue for Library Fines, but there is nothing budgeted for 09-2010 FY, Why?
2. What are Library fees? In 2008-09 Redbook, the Mayor budgeted \$84,000 in revenue for Library fees, but there is nothing budgeted for 09-2010 FY, Why?
3. Since the Library relies on property taxes to primarily fund its operations, how does it plan to offset any decreases in it due to the high foreclosure rates in the city of Detroit?
4. How does the Library account for the \$33,289 through 3/31/2009 incurred in overtime when there was no budget set aside for it?